

Subject: Revised recommendation to BOWC re DWS-844A

Date: Fri, 23 Jan 2004 16:44:11 -0500

From: "[REDACTED]"

To: "[REDACTED]"

[REDACTED]

Attached is the revised recommendation to the BOWC for negotiating with two teams (DFT and MCE). If you have any questions regarding the attached information, please feel free to call me.

[REDACTED] Principal

PMA Consultants LLC

[REDACTED]

[REDACTED]

Tel: [REDACTED]

Fax: [REDACTED]

Cell: [REDACTED]

E-Mail: [REDACTED]

Website: [REDACTED]

~~~~~  
Detroit Water & Sewerage Department

This message was received, scanned, and filtered at  
the gateway.  
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☐ Revised DWS-844A\_BOWC\_Nego\_Recommend.doc

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Description: Revised

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**Detroit Water and Sewerage Department**  
**Contract No. DWS-844A**  
**Security Systems Upgrade For Various Booster Pumping Stations**  
**Basis For Selection Recommendation**

The DWSD Evaluation Committee for Contract No. DWS-844A convened on six evaluation sessions in December 2003 and January 2004 to evaluate four proposals received in response to the Request For Proposals (RFP) solicitation for Contract No. DWS-844A, submitted by the DFT Security Team (a Joint Venture between Detroit Contracting, Inc.; Tucker, Young, Jackson, Tull, Inc.; and Ferguson's Enterprises); EBI-Detroit, Inc. (EBI); Motor City Electric Co. (MCE); and Walbridge Aldinger Company (WA).

Following the presentation of the proposal summaries by DWSD's consultants (PMA Consultants LLC and SmithGroup, Inc.), the Evaluation Committee discussed each evaluation category prior to each evaluator (DWSD employees only, excluding the consultants) individually scoring the four proposals. In addition to the proposal contents, the Evaluation Committee's review took into consideration the proposers' responses to clarifications requested by DWSD regarding various aspects of the proposals. After scoring the non-economic proposals, cost proposals were opened and scored. Following completion of scoring, the Contracts and Grants Group applied pre-determined weightings to arrive at weighted scores, which are summarized in the following table.

<b>EVALUATION CATEGORY</b>	<b>DFT</b>	<b>EBI</b>	<b>MCE</b>	<b>WA</b>
Work Plan	790	730	857	792
Ability to Perform Work	550	358	594	470
Staff Experience	542	538	600	570
Technical Proposal	1034	919.5	1200	380
Local Economic Development.	900	816	864	702
Cost	1200	1050	1500	600
<b>TOTAL SCORE</b>	<b>5016</b>	<b>4411.5</b>	<b>5615</b>	<b>3514</b>
<b>RANK</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>4</b>

As a result of this evaluation process, the proposers were ranked in following descending order: MCE, DFT, EBI and WA, with a Total Score margin of approximately 12% between the two highest ranking teams (i.e., MCE and DFT). Moreover, when scores for the *Cost* category are excluded from the Total Score, the variance between MCE and DFT shrinks to approximately 8%. Therefore, approximately 4% of the Total Score variance between MCE and DFT is attributable to the *Cost* category. Costs proposed by the two highest ranked teams were \$ 16,308,649.24 and \$ 20,730,000.00, respectively, resulting in a variance of approximately 21%. Since DWSD's normal practice is to request cost clarifications during negotiations, and due to the variance in cost as well as the cost breakdown items between the two highest ranking teams, it is recommended that negotiations be conducted with the two highest ranking teams, as allowed by the RFP Section 00110, Article 13.4, with the intent to award a single contract to the successful team. The basis of this recommendation is summarized as follows:

*Work Plan:* MCE presented the most detailed *Work Plan* in terms of their management plan, organization chart, and owner participation, and included a comprehensive project-specific quality control plan. MCE also presented the most detailed and thorough schedule, phase-over plan and maintenance plan, and accounted adequately for long lead items such as the

**Detroit Water and Sewerage Department**  
**Contract No. DWS-844A**  
**Security Systems Upgrade For Various Booster Pumping Stations**  
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procurement of the SBC communications lines; therefore, receiving the highest score for this category. Although ranked highest in this category, MCE scored just over 95% of the 900 maximum possible points in this category. With only 2 points separating the *Work Plan* scores of DFT and WA, these teams were essentially tied in the 2<sup>nd</sup> place behind MCE, each scoring 88% of the maximum.

*Ability To Perform The Work:* MCE also scored the highest in the *Ability To Perform The Work* category, wherein MCE demonstrated through its listed projects and references that it has met the requirements of the RFP and has the technical capabilities and experience to administer security projects and other projects similar to Contract No. DWS-844A. DFT was second only to MCE in this category, scoring approximately 92% of the maximum points possible in this category.

*Staff Experience:* The *Staff Experience* category was a highly competitive category amongst all proposing teams, with the lowest ranked team scoring approximately 89% of the total possible points for this category. MCE's proposed staffing for the positions of Program Manager, Design Manager, and Construction Manager ranked in first place in the *Staff Experience* category, wherein the proposed staff demonstrated the highest level of qualifications related to the security system aspects of the work of Contract DWS-844A, with the proposed Project Manager having the most security system experience of all project managers proposed by the four teams. Although the DFT team was ranked 3<sup>rd</sup> in the *Staff Experience* category, DFT's performance was nevertheless remarkable, scoring more than 90% of total possible points in this category.

*Technical Proposal:* In the *Technical Proposal* category, MCE was the only team achieving a perfect score. Their proposal was more detailed and comprehensive than the others, demonstrating a thorough understanding of DWSD's concerns and the RFP requirements, and presented the most effective and workable security system solution/design. DFT was second only to MCE in this category.

*Local Economic Development:* In the *Local Economic Development* category, DFT was the only team achieving a perfect score, followed by MCE, who scored 96% of the maximum possible points in this category.

*Cost:* *Costs* were compared to the lowest priced proposal and were ranked based on their variance from the lowest priced proposal, with the latter proposal ranking the highest. In this category, MCE presented the lowest cost proposal, therefore, was ranked first in this category. DFT was second to MCE with a variance of approximately 21%. The cost variances of the 3<sup>rd</sup> and 4<sup>th</sup> ranked teams from MCE's cost are approximately 26% and 63%, respectively.

**City of Detroit**  
**WATER AND SEWERAGE DEPARTMENT**  
 INTRA-DEPARTMENTAL MEMO

FROM: [REDACTED]  
[REDACTED]

DATE: January 27, 2004

TO: [REDACTED]

COPY TO: Evaluation Committee  
[REDACTED] PMA  
EMF\DWS-844A

**RE: NEGOTIATION RECOMMENDATION  
 DWSD CONTRACT DWS-844A  
 "Security Systems Upgrade for Various Booster Pumping Stations (Design/Build)"**

On November 5, 2003, DWSD received four (4) proposals in response to its August 14, 2003, Request for Proposals (RFP) for the "Security Systems Upgrade for Various Booster Pumping Stations (Design/Build)" Project. These proposals were forwarded to the Evaluation Committee for review. Each member of the Evaluation Committee independently reviewed the proposals.

In accordance with the Detroit Water and Sewerage Department (DWSD) policy, the Evaluation Committee met December 8, 9, 10, and 16, 2003 and January 8, and 12, 2004, to discuss each issue in the proposals before the evaluators (DWSD employees only) scored the four (4) proposals.

In the presence of PMA, the Smith Group, and [REDACTED] representatives, the evaluation committee reviewed and scored the proposals in accordance with the Department's policy.

The possible range of scores was from 0 to 6000. The proposers were ranked as follows:

<u>Firm</u>	<u>Score</u>	<u>Proposal Price</u>
Motor City Electric	5615	\$16,308,649.24
DFT Security Team	5016	\$20,730,000.00
EBI-Detroit Project Team	4411.5	\$22,095,838.00
Walbridge Aldinger	3514	\$44,471,000.00

A more detailed tabulation of the scoring is shown in Attachment No. 1.

The amount of work assigned to Detroit Based Businesses (DBB), Small Business Enterprises (SBE), Minority Businesses (MBE), and Women Businesses Enterprises (WBE) of each member of the two highest ranking teams, Motor City Electric and DFT Security Team (a Joint Venture between Detroit Contracting, Inc.; Tucker, Young, Jackson, Tull, Inc.; and Ferguson's Enterprises) are as follows:

<u>Motor City Electric</u>				
<u>TEAM MEMBER</u>	<u>DBB</u>	<u>SBE</u>	<u>MBE</u>	<u>WBE</u>
Motor City Electric	25.05%	0.00%	0.00%	0.00%
Finkbeiner, Pettis & Strout	10.00%	0.00%	0.00%	0.00%
Metco Services	2.45%	0.00%	2.45%	0.00%
D.A. Central	0.00%	25.00%	0.00%	0.00%
Henderson Electric	23.50%	0.00%	23.50%	0.00%
Industrial Fence	0.00%	14.00%	0.00%	14.00%
<b>TOTALS</b>	<b>61.00%</b>	<b>39.00%</b>	<b>25.95%</b>	<b>14.00%</b>

The table below lists the roles of the Motor City Electric Design/Build Team:

<u>TEAM MEMBER</u>	<u>ROLE</u>
Motor City Electric	Prime Contractor, Electrical Construction
Finkbeiner, Pettis & Strout	Design Engineering and Professional Services
Metco Services	Design Engineering and Professional Services
D.A. Central	Security Systems, Software, Design & Training
Henderson Electric	Electrical Construction, System Installation
Industrial Fence & Landscaping, Inc.	Security Fence Construction

<u>DFT Security Team</u>				
<u>TEAM MEMBER</u>	<u>DBB</u>	<u>SBE</u>	<u>MBE</u>	<u>WBE</u>
TYJT, Inc.	23.25%	0.00%	23.25%	0.00%
Detroit Contracting, Inc.	8.42%	0.00%	0.00%	8.42%
Ferguson's Enterprises, Inc.	4.34%	0.00%	4.34%	0.00%
Sigma Associates, Inc.	5.79%	0.00%	0.00%	5.79%
Prof. Engineering Svcs. Corp.	0.94%	0.00%	0.00%	0.00%
Wiltec Technologies, Inc.	26.85%	0.00%	0.00%	0.00%
Post Electric	14.95%	0.00%	0.00%	0.00%
Continental Ind. Svcs. & Supply	8.08%	0.00%	0.00%	0.00%
Edwards & Pollard Concrete Svcs.	3.52%	0.00%	3.52%	0.00%
Hercules & Hercules, Inc.	2.56%	0.00%	2.56%	0.00%
Multi Solutions, Inc.	1.30%	0.00%	1.30%	1.30%
<b>TOTALS</b>	<b>100.00%</b>	<b>0.00%</b>	<b>34.97%</b>	<b>15.51%</b>

The table below lists the roles of the DFT Security Team:

<u>TEAM MEMBER</u>	<u>ROLE</u>
TYJT, Inc.	Prime Contractor, Design Eng. and Professional Services
Detroit Contracting, Inc.	Prime Contractor, Construction
Ferguson's Enterprises, Inc.	Prime Contractor, Construction-Excavation
Sigma Associates, Inc.	Design Engineering and Professional Services
Prof. Engineering Svcs. Corp.	Design Engineering and Professional Services
Wiltec Technologies, Inc.	Security Systems Design
Post Electric	Electrical Construction
Continental Ind. Svcs. & Supply	Security Fence Construction
Edwards & Pollard Concrete Svcs.	Concrete Services
Hercules & Hercules, Inc.	Landscaping Services
Multi Solutions, Inc.	Permitting Services

#### **Basis for Selection Recommendation**

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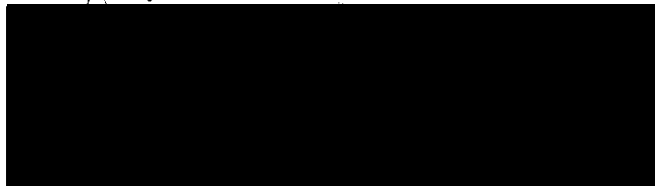
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It is recommended that Motor City Electric, the number one ranked proposer, and DFT Security Team, the number two ranked proposer, be determined the design/build contractors for negotiations for this project.

If you agree with the recommendation, please indicate your approval by signing at the bottom of this memo.

Thank you for your consideration of this recommendation.



Contracts and Grants Manager



Assistant Director of Engineering Services

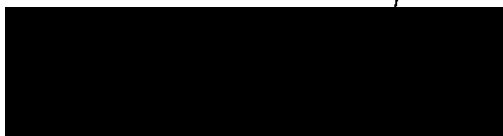
I Concur ☒

I Do Not ☐

Approved ☒

Not Approved ☐

Hold ☐



Deputy Director



Director



**DETROIT WATER & SEWERAGE DEPARTMENT  
CONTRACTS & GRANTS DIVISION  
CONSTRUCTION CONTRACTS, AUDIT, GRANTS, & LOANS**

**REPORTING LOG SHEET**

SUBJECT: Negotiations with Two Teams

EPA GRANT/SRF NO.:

CONTRACTS:

DWS-844A

COMPANY:

DWSD

PHONE NO.:

REFERRAL:

**COMMENTS:**

DATE: 2/11/04 TIME: PERSON SPOKE TO: [REDACTED]  
I spoke to [REDACTED] today regarding possible presentations from the two teams and involvement of higher level individuals within

DWSD in the Negotiation process and discussion of what to negotiate with the contractors. [REDACTED] suggested that C & G  
(i.e. [REDACTED] meet with Smith Group, PMA, [REDACTED] and [REDACTED] to discuss what we need to request from the contractors.  
Then after approval from the BOWC, write to the contractors requesting information for clarity, especially the composition of the line  
items in the costing. After we receive the information, have everyone review the information, then meet to discuss the responses prior  
to meeting with the contractors. After the responses have thoroughly been reviewed and further questions assembled, meet with  
the contractors to get a definitive indication of what DWSD is getting for the money. DWSD could request a presentation after  
getting responses and evaluating the responses.

FOLLOW - UP DATE: 2/11/04 TIME: FOLLOW-UP PERSON: [REDACTED]  
Conduct meeting with individuals to determine what needs to be asked of the contractors.

SIGNATURE

2/11/04

DATE

C:

**City of Detroit**  
**WATER AND SEWERAGE DEPARTMENT**  
INTRA-DEPARTMENTAL MEMO

**FROM:** DWS-844A Evaluation Team **DATE:** April 14, 2004  
[REDACTED] [REDACTED] [REDACTED]  
**THRU:** [REDACTED]  
**TO:** [REDACTED] **COPY:** [REDACTED]  
**RE:** Evaluation Committee Negotiations Recommendations  
DWSD Contract No. DWS-844A (Security Systems Upgrade for Various  
Booster Pumping Stations)

This memorandum presents the recommendation of the Evaluation Committee for the above-referenced contract to commence negotiations with only the highest ranked proposer, namely, Motor City Electric Company (MCE). The Evaluation Committee also recommends forgoing negotiations with the second-ranking proposer, namely, the DFT Security Team (DFT), unless DWSD determines that an agreement with MCE regarding this contract could not be reached.

Subsequent to three cost proposal clarification rounds with each of the two highest-ranked proposers (i.e., DFT and MCE), and as demonstrated by the attached "cost comparison summary" tabulation, the Evaluation Committee's recommendation is based on the determination that:

- (a) MCE's design costs are substantially lower than DFT's, partly due to the fact that MCE's proposal included a more defined and developed design than that presented by DFT;
- (b) MCE's training costs are lower and more commensurate with the level of effort required in the Request For Proposals (RFP); and
- (c) MCE's construction costs, mobilization and demobilization costs, as well as the "general conditions" costs are significantly lower than DFT's.

The Evaluation Committee also recommends negotiation of additions and deletions that are estimated to potentially result in a credit amount of approximately \$ 2.4m from MCE versus an estimated credit amount of approximately \$ 1.27m from DFT, based on the scope and prices of the respective proposers.

Given that the respective proposed costs by DFT and MCE for this contract are approximately \$ 20.73m and \$ 16.31m, the gap between DFT's and MCE's proposed costs for this contract may further widen in the event DWSD is successful in negotiating the full amount of its estimated credits. A separate tabulation for each of the two proposers is attached to this memorandum, outlining the anticipated additions and deletions, and providing respective cost estimates.

It is noted that although the Evaluation Committee did identify some deficiencies in MCE's proposal, the Evaluation Committee remains confident that MCE's proposal is a better value to DWSD than DFT's, and that the identified deficiencies can be rectified during negotiations and possibly without increasing MCE's proposed price.

If you concur with the Evaluation Committee's recommendation, please indicate below.

☐ I Concur

☒ I Do Not Concur

[REDACTED]  
Contracts & Grants Manager

☐ I Concur

☒ I Do Not Concur

[REDACTED]  
Deputy Director

*This recommendation wasn't what the Board intend. This goes against the spirit of the process that was approved by the Board. DWSD should negotiate with both companies until DWSD reach an agree with one that gives the DWSD the most for its dollar eliminating any future change orders.*

*Concur w/ [REDACTED] recommendation  
8/4/19/04*

☐ Approved

☒ Not Approved

[REDACTED]  
Director

*Concur with [REDACTED]*

# Proposed Additions/ Credits to the MCE Bid

## Net Change to Contract

1. Net Change

(\$2,395,466)

Additions to Contract	Type of Change (See Notes)	Cost
1. Farmington- 1 camera apparently missed for top of Reservoir	Deficiency	0
2. Ford Road- 3 or 4 cameras apparently missed	Deficiency	0
3. Imlay- 3 cameras apparently missed	Deficiency	0
4. Joy Road- 2 cameras apparently missed	Deficiency	0
5. North Service Center- 4 cameras apparently missed	Deficiency	0
6. Northwest- Missed camera coverage of hatch at south-east of reservoir	Deficiency	0
7. Schoolcraft- 2 cameras apparently missed	Deficiency	0
8. West Chicago- 2 cameras apparently missed	Deficiency	0
9. Wick Road- 2 or 3 cameras apparently missed	Deficiency	0
10. Modify entrance to Administration Parking Lot at CSF	Addition	75,000
11. Replace double doors at Bluhill Sewage Pumping Station	Addition	10,000
12. Orion and Clintondale- use masonry to block in lightly covered openings.	Addition	2,000
13. Joy Road- tie in new DWS-817 fire alarm system to security system	Addition	3,000
14. Orion- put card reader on one of the double doors on the south side	Change	2,000
15. Fairview- possibly put card reader on front double door	Change	2,000
16. North Service Center- locate camera poles on east side of reservoirs	Change	30,000
17. Schoolcraft- coordination with DWS-853 work	Change	10,000
18. Joy Road- coordinate with DWS-817	Change	20,000
19. Franklin- coordinate infrared sensors with DWS-837A generators	Change	30,000
20. Provide hinged security ladder guards in lieu of "lifting type"	Addition	2,000
21. Michigan Reservoir- difficulty of underground installation due to wet soil	Change	3,000
22. Eastside- difficulty of underground installation due to wet soil	Change	3,000
23. West Service Center- custom perimeter security due to site interferences	Change	10,000
24. West Service Center- bring out secured fence to encompass valve pit	Change	10,000
<b>Total</b>		<b>\$212,000</b>

### Notes:

**Deficiency-** Deficiency in the MCE design. Deficient cameras will be negotiated for \$0 cost.

**Addition-** Additions needed by DWSD

**Change-** Per further design and evaluation of this project, Consultants and DWSD Engineering have identified potential change orders.

## Credits to Contract

	Cost
1. Utilinet Radio Backup System See Note 1	(2,323,227)
2. Delete shared T-1 option since replaced by the OPT-E-MAN system	(87,239)
3. Reuse existing fabric for temporary fences.	(10,000)
4. Use other maintenance tracking system than EMPAC	(25,000)
5. Delete security at Belle Isle Sewage due to PC-753 CSO Basin Contract	(150,000)
6. Michigan Ave- delete cameras for No.1 Reservoir planned for demolition	(12,000)
<b>Total</b>	<b>(\$2,607,466)</b>

**Note 1.** The Utilinet system is recommended to be deleted due to its higher than expected cost and technical problems.

# Proposed Additions/ Credits to the DFT Bid

## Net Change to Contract

1. Net Change (\$1,273,500)

Additions to Contract	Type of Change (See Notes)	Cost
1. Farmington- 1 camera apparently missed for top of Reservoir	Deficiency	0
2. Adams Road- 1 camera apparently missed	Deficiency	0
3. Eastside- closer camera coverage of the southwest corner is reqrd	Deficiency	0
4. Haggerty Road - 2 cameras apparently missed	Deficiency	0
5. Imlay- 1 camera apparently missed	Deficiency	0
6. Michigan Reservoir- 2 cameras apparently missed	Deficiency	0
7. Schoolcraft- 2 cameras apparently missed	Deficiency	0
8. West Chicago- 2 cameras apparently missed	Deficiency	0
9. Wick Road- 2 or 3 cameras apparently missed	Deficiency	0
10. Modify entrance to Administration Parking Lot at CSF	Addition	75,000
11. Replace double doors at Bluhill Sewage Pumping Station	Addition	10,000
12. Orion and Clintondale- use masonry to block in lightly covered openings	Addition	2,000
13. Joy Road- tie in new DWS-817 fire alarm system to security system	Addition	3,000
14. Fairview- possibly put card reader on front double door	Change	2,000
15. North Service Center- locate camera poles on east side of reservoirs	Change	30,000
16. Schoolcraft- Coordination with DWS-853 work	Change	10,000
17. Provide hinged security ladder guards in lieu of "lifting type"	Addition	2,000
21. Michigan Reservoir- difficulty of underground installation due to wet soil	Change	3,000
22. Eastside- difficulty of underground installation due to wet soil	Change	3,000
20. West Service Center- custom perimeter security due to site interferences	Change	10,000
21. West Service Center- bring out secured fence to encompass valve pit	Change	10,000
	<b>Total</b>	<b>\$160,000</b>

### Notes:

**Deficiency-** Deficiency in the DFT design, however their bid did include a contingency of 10 extra cameras. The remainder deficient cameras will be negotiated for \$0 cost.

**Addition-** Additions needed by DWSD

**Change-** Per further design and evaluation of this project, Consultants and DWSD Engineering have identified potential change orders.

## Credits to Contract

### Cost

1. Utilinet Radio Backup System See Note 1	(1,117,500)
2. Delete shared T-1 option since replaced by the OPT-E-MAN system	(119,000)
3. Reuse existing fabric for temporary fences.	(10,000)
4. Use other maintenance tracking system than EMPAC	(25,000)
5. Delete security at Belle Isle Sewage due to PC-753 CSO Basin Contract	(150,000)
6. Michigan Ave- delete cameras for No.1 Reservoir planned for demolition	(12,000)
Total	(\$1,433,500)

**Note 1.** The Utilinet system is recommended to be deleted due to its higher than expected cost and technical problems.

**City of Detroit**  
**WATER AND SEWERAGE DEPARTMENT**  
INTRA-DEPARTMENTAL MEMO

**FROM:** [REDACTED]

**DATE:** April 20, 2004

**THRU:** [REDACTED]  
Contracts & Grants Manager

**CC:** [REDACTED]

**TO:** [REDACTED] Security  
[REDACTED] Engineering

**RE: DWS-844A, SECURITY SYSTEMS UPGRADE**

The Director, Deputy Director, and Contracts and Grants Manager have recommended that DWSD negotiate with both DFT Security Team and Motor City Electric. In an effort to perform this difficult task, you are requested to develop a list of **all** specific deficiencies **and** a list of **all** specific additions to include equipment, card readers, cameras, locations, etc. needed of each proposal so that this information may be given to both Teams, and hopefully negotiations may be conducted accurately, expeditiously, and in the best interest of the Department.

Please provide this information by April 28, 2004.

Thanks for your cooperation concerning this matter.

[REDACTED]  
\_\_\_\_\_  
Manager I  
Contracts & Grants Division

DTE/fdm

**TELEFAX TRANSMITTAL****CONTRACTS & GRANTS DIVISION****FAX NUMBER (313) 964-9490**

CONTACT PERSON	FAX NUMBER	COMPANY
[REDACTED]	( ) [REDACTED]	DWSD
[REDACTED]	( ) [REDACTED]	DWSD
[REDACTED]	( ) [REDACTED]	DWSD
[REDACTED]	( ) [REDACTED]	DWSD
[REDACTED]	( ) [REDACTED]	DWSD
[REDACTED]	( ) [REDACTED]	PMA
[REDACTED]	( ) [REDACTED]	Smith Group
_____	( ) _____	_____
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_____	( ) _____	_____

REGARDING DWS-844A Security Systems UpgradeSENDER [REDACTED] PHONE [REDACTED] NO. OF PAGES 2

**DETROIT WATER & SEWERAGE DEPARTMENT  
CONTRACTS & GRANTS DIVISION  
CONSTRUCTION CONTRACTS, AUDIT, GRANTS, & LOANS**

**REPORTING LOG SHEET**

SUBJECT: Negotiation Process-Recommendation

EPA GRANT/SRF NO.:

CONTRACTS: DWS-844A

COMPANY: DWSD-C & G

PHONE NO.:

REFERRAL:

**COMMENTS:**

DATE: 5/25/04 TIME: PERSON SPOKE TO: D. Latimer  
I spoke to Darryl today related to the Negotiation Process for DWS-844A. Specifically, is the Negotiation Team supposed to make a Recommendation to the Director, or just come up with what each Proposer is giving DWSD and for what cost, compare the two side by side and let the Director make a selection based on the best "deal" for the department. Darryl indicated that a Recommendation will not be done. Negotiate for the best "deal" and list the cost, then let the Director make that decision. Darryl stated that he will verify with the Director, however, we should proceed as he directed.

FOLLOW - UP DATE: 5/26/04 TIME: FOLLOW-UP PERSON: Dan, Francine  
Share this information with the team when we have the internal meeting June 2, 2004.

D. Edwards

5/26/04

SIGNATURE

DATE

C: F. Duncan Martin

C:

Z:\DATA\SRFLOAN\REPLOG



**DETROIT WATER & SEWERAGE DEPARTMENT  
CONTRACTS & GRANTS DIVISION  
CONSTRUCTION CONTRACTS, AUDIT, GRANTS, & LOANS**

**REPORTING LOG SHEET**

SUBJECT: OPT-T-MAN system Meeting with SBC

EPA GRANT/SRF NO.:

CONTRACTS:

*DWS-844A*

COMPANY:

DWSD, Law, SBC

PHONE NO.:

REFERRAL:

**COMMENTS:**

DATE: 6/18/04 TIME: PERSON SPOKE TO:

Bob Walter discussed his concerns with the SBC reps who seemed to have no problem addressing them.

The only problem with proceeding was that DWSD's IT people were led to believe from the City's IT people that DWSD would issue this agreement and it would be part of the City's "Master" agreement. SBC said that DWSD is far ahead of the City, and that if we were hoping for this to happen it would take a lot longer. DWSD can proceed with this agreement and after the City has its Master agreement, then verbiage in the Master agreement can incorporate DWSD's agreement. DWSD doesn't have the time to wait because DWS-844A depends on the OPT-T-MAN and award for DWS-844A should be somewhere between 9/04-10/04. DWSD's IT people wanted to avoid going to the BOWC and CC alone, however, apparently, DWSD will have to if it wants to remain on time with DWS-844A.

Kevin Quiggle will bring this to the Director on Monday, 6/21/04 at 8:30.

FOLLOW - UP DATE:

TIME:

FOLLOW-UP PERSON:

D. Edwards

6/18/04

SIGNATURE

DATE

C: D. Latimer, F. Martin

C:

Z:\DATA\SRFLOAN\REPLOG

6/23/04

①

DWS-844A DFT Negotiations

① D/B' Contracts and Draft Section 01000 and give over to DWS for review

② Directly ship new C.O.'s on any contract

③ Tech issues: Item #3 Pay's list

1st issue: Lead paint hazardous lump sum vs. allowance tests done by indep 3rd party

Item #4 94% claimed going with OPT-E-man system as Spec. Directs to make decision. Specific on Spec & OPT-E-man discussed.

OPT-E-MAN SBC will provide engineer until project complete. DWS has contract with DWS.

Providing SBC rep (eng) only. Coordinator is up to D/B.

Item #5 Can use Temp. dial up. DFT original prop. they defined utility dial too in same status. New Temp. dial up ~~Temp.~~ Temp. dial up would provide signals for security, but no video until get the OPT-E-MAN gets up and going.

\* Kay calling SBC to see if they have info. on time for their schedule.

Nkal. suggest they use SBC schedule their problems.

use dial up for testing only

② Build contingency in document in case SBC delayed.

③ Kay liquidate damages if SBC delays. S.I.P.R.Z. DWS ~~will not~~ liquidate damages.

**PRE-FINAL**  
**Detroit Water and Sewerage Department**  
**Contract No. DWS-844A**  
**Security Systems Upgrade For Various Booster Pumping Stations**  
**Summary of Final Offers**

This memorandum summarizes the full and final offers for providing design/build/maintenance services for Contract DWS-844A (Security Systems Upgrade For Various Booster Pumping Stations). The offers were negotiated between the Detroit Water and Sewerage Department (DWSD), through its DWS-844A proposal Evaluation Committee, and the two highest ranked proposers, namely, the DFT Security Team (DFT) and Motor City Electric (MCE). The offers are summarized as follows:

	<b>DFT</b>	<b>MCE</b>	<b>Variance (= DFT - MCE)</b>
Original Proposed Price <sup>1</sup>	\$ 20,730,000.00	\$ 16,308,649.24	\$ 4,421,350.76
Adjustment due to DWSD's extension of proposal validity date <sup>1,2</sup>	\$ 0.00	\$ 1,320,580.91	\$ (1,320,580.91)
Additions <sup>1,3,4</sup>	\$ 1,721,450.00	\$ 3,642,193.00	\$ (1,920,743.00)
Deletions <sup>1,5</sup>	\$ (1,167,600.00)	\$ (2,465,819.00)	\$ 1,298,219.00
<b>Total Proposed Cost<sup>6</sup></b>	<b>\$ 21,283,850.00</b>	<b>\$ 18,805,604.15</b>	<b>\$ 2,478,245.85</b>

*Note 1:* Refer to the attached tabulation for a detailed breakdown of above-listed cost items.

*Note 2:* Only MCE adjusted its original proposed price due to DWSD's request to extend the validity date of proposals.

*Note 3:* Except for the MCE-proposed addition of \$ 127,420.00, all additions were requested per DWSD letters of 5/3/04, 5/14/04, 7/2/04, and 7/23/04. See also Note 1.

*Note 4:* MCE proposed additions in the amount of \$ 127,420.00 are due to MCE's extension of the Substantial Completion date beyond the date stipulated in the Request For Proposals for Contract DWS-844A.

*Note 5:* All deletions were requested per DWSD letters of 7/23/04 and 7/27/04. See also Note 1.

*Note 6:* "Total Proposed Cost" is based on installation of the Opt-E-Man in lieu of the Sonet communications network.

DFT's and MCE's respective offers met the requirements of the DWS-844A Request For Proposals (RFP), except that after addition of scope requested by DWSD, MCE no longer complies with the Substantial Completion date stipulated in the RFP. MCE's response letter of July 28, 2004 indicated that (a) MCE anticipates a substantial completion of the project that is 183 calendar days later than the RFP's Substantial Completion date, resulting in additional costs to the project in the amount of \$ 127,420.00, (b) "work to be completed after DWS-844A base RFP substantial completion will include work at sites of lower priority", and (c) "the scheduling and prioritizing of DWSD facilities will be accomplished through work shop sessions as indicated in our proposal".

It is noted that MCE's response (i) refers to an anticipated in lieu of an absolute commitment to a substantial completion date, (ii) is indistinct as to which sites constitute "lower priority sites", although MCE stated that it will expedite completion of the pumping stations first, i.e., MCE's response has blurred the RFP's definition of Substantial Completion, and (iii) defers the identification of "lower priority sites" to the workshops that will take place after award of Contract DWS-844A, potentially constituting grounds for MCE to submit a delay claim in the event DWSD and MCE disagree on what constitutes "lower priority sites".

MCE's anticipated substantial completion of Contract DWS-844A would require DWSD to maintain/extend its existing security staff services of Contract No. CS-1423 until MCE achieves Substantial Completion on Contract DWS-844A, resulting in the prorated additional DWSD operations cost of \$ 920,167.92 (based on the price of Contract CS-1423), as well as DWSD's additional administrative costs for Contracts DWS-844A and CS-1423. DWSD's operational costs may be even higher as a result of having to continue the security staff services at "lower priority sites" until reaching substantial completion at these sites.

Post-It® Fax Note	7671	Date	8/2/04	# of pages	2
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Phone #		Phone #			
Fax #		Fax #			

August 2, 2004

**City of Detroit**  
**WATER AND SEWERAGE DEPARTMENT**  
INTRA-DEPARTMENTAL MEMO

**FROM:** Darryl A. Latimer  
Contracts & Grants Manager

**DATE:** August 5, 2004

**THRU:** Gary Fujita, P.E.  
Deputy Director

**TO:** Victor M. Mercado  
Director

**CC:**

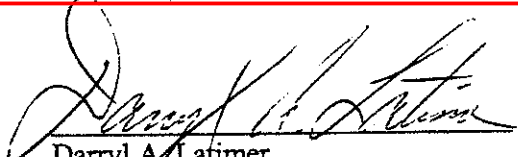
**RE: RECOMMENDATION OF AWARD**  
**DWS-844A, Security Systems Upgrade for Various Booster Pumping**  
**Stations**

The Contracts and Grants Division of the Detroit Water and Sewerage Department (DWSD) recommends that the DFT Security Team be awarded DWSD Contract DWS-844A, "Security Systems Upgrade for Various Booster Pumping Stations."

After careful consideration of the information provided by both the DFT Security Team and Motor City Electric, Inc. (MCE) and the negotiations and discussions with the Evaluation Team, only the DFT Security Team commits to a final offer, which includes all scope revisions made to DWSD to date without any adjustment to the Contract Price and/or Contract Time(s). Conversely, MCE does not explicitly indicate that its offer is final and without any adjustments, and the information indicated in its responses clearly suggest the possibility of delay claims, and subsequent change orders. See the attached supporting documentation.

Please indicate your concurrence or approval with this recommendation below.

Should you require additional information, please contact me at 964-9486

  
Darryl A. Latimer  
Contracts & Grants Manager

☒ I Concur

☐ I Do Not Concur

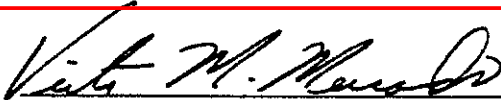
☐ HOLD

  
Gary Fujita  
Deputy Director

☒ Approve

☐ Not Approved

☐ HOLD

  
Victor M. Mercado  
Director

Enclosures:

- ✓ Summary of Offers
- ✓ Summary of Negotiated Final Offers from DFT and MCE Spreadsheets (2)
- ✓ Calculations Worksheet Used For the Final Offers Memorandum – 8/02/04
- ✓ Final Clarifications Letters to DFT and MCE dated July 23, 2004
- ✓ DFT and MCE Final Response Letters dated 7/28/04

DAL/DTE/fdm

**Detroit Water and Sewerage Department**  
**Contract No. DWS-844A**  
**Security Systems Upgrade For Various Booster Pumping Stations**  
**Summary of Final Offers**

This memorandum summarizes the full and final offers for providing design/build/maintenance services for Contract DWS-844A (Security Systems Upgrade For Various Booster Pumping Stations). The offers were negotiated between the Detroit Water and Sewerage Department (DWSD), through its DWS-844A proposal Evaluation Committee, and the two highest ranked proposers, namely, the DFT Security Team (DFT) and Motor City Electric, Inc. (MCE). The negotiations process comprised two meetings each with DFT and MCE, as well as several written correspondence (clarifications and requests for cost quotations) from February through July 2004. The offers are summarized as follows:

	<b>DFT</b>
Original Proposed Price <sup>1</sup>	\$ 20,730,000.00
Adjustment due to DWSD's extension of proposal validity date <sup>1,2</sup>	\$
Additions <sup>1,3,4</sup>	\$ 1,721,450.00
Deletions <sup>1,5</sup>	\$ (1,167,600.00)
<b>Total Proposed Cost<sup>6</sup></b>	<b>\$ 21,283,850.00</b>

*Note 1:* Refer to the attached tabulation for a detailed breakdown of above-listed cost items.

*Note 2:* Only MCE adjusted its original proposed price due to DWSD's request to extend the validity date of proposals.

*Note 3:* Except for the MCE-proposed addition of \$ 127,420.00, all additions were requested per DWSD letters of 5/3/04, 5/14/04, 7/2/04.

*Note 4:* MCE's proposed additions in the amount of \$ 127,420.00 are due to MCE's extension of the Substantial Completion date beyond t

*Note 5:* All deletions were requested per DWSD letters of 7/23/04 and 7/27/04. See also Note 1.

*Note 6:* "Total Proposed Cost" is based on installation of the Opt-E-Man in lieu of the Sonet communications network.

DFT's and MCE's respective offers met the requirements of the DWS-844A Request For Proposals (RFP), except that after addition of scope requested by DWSD, MCE no longer complies with the Substantial Completion date stipulated in the RFP. MCE's response letter of July 28, 2004 indicated that (a) MCE anticipates a substantial completion of the project that is 183 calendar days later than the RFP's Substantial Completion date, resulting in additional costs to the project in the amount of \$ 127,420.00, (b) "work to be completed after DWS-844A base RFP substantial completion will include work at sites of lower priority", and (c) "the scheduling and prioritizing of DWSD facilities will be accomplished through work shop sessions as indicated in our proposal".

It is noted that MCE's response (i) refers to an anticipated in lieu of an absolute commitment to a substantial completion date; (ii) is indistinct as to which sites constitute "lower priority sites", although MCE stated that it will expedite completion of the pumping stations first, i.e., MCE's response has blurred the RFP's definition of Substantial Completion; and (iii) defers the identification of "lower priority sites" to the workshops that will take place after award of Contract DWS-844A, potentially constituting grounds for MCE to submit a delay claim in the event DWSD and MCE disagree on what constitutes "lower priority sites". MCE was not asked to provide further clarifications regarding its response letter of July 28, 2004, because (1) DWSD had informed both teams in writing on July 23, 2004 that their respective responses of July 28, 2004 will constitute their last opportunity to make any proposal adjustments, and to provide conclusive and unequivocal responses to DWSD; and (2) doing otherwise would be unfair to both teams.

MCE's anticipated substantial completion of Contract DWS-844A may require DWSD to maintain/extend its existing security staff services of Contract No. CS-1423 until MCE achieves Substantial Completion on Contract DWS-844A, potentially resulting in the prorated additional DWSD operations cost of \$ 920,167.92 (based on the price of Contract CS-1423), as well as DWSD's additional administrative costs for Contracts DWS-844A and CS-1423.

In its response letter of July 28, 2004, DFT explicitly stated that its full and final offer is based on DFT's performance and completion of the entire Work of Contract DWS-844A, including all scope revisions

**Detroit Water and Sewerage Department  
Contract No. DWS-844A  
Security Systems Upgrade For Various Booster Pumping Stations  
Summary of Final Offers**

(amendments, additions, deletions, etc.) made to date by DWSD, without any adjustment to the Contract Price and/or Contract Time(s).

Finally, both teams' full and final offers are based on the installation of the Opt-E-Man in lieu of the Sonet communications network, although DWSD has yet to officially adopt Opt-E-Man as its communications network standard. In the event DWSD elects to revert to the Sonet communications network, DFT's and MCE's respective "Total Proposed Cost" amounts would have to be adjusted by \$ 80,000.00 and \$ (-795,403.56).

**DAL/DTE**

Attachment: Detailed tabulation

Cc: File